

Industrial Lands Roundtable Notes
Seattle Planning Commission
4 November 2005

Mimi Sheridan, Planning Commissioner, opened the meeting with a welcome and background information as to why we are gathered together to discuss this topic.

Today we will look at what information is available about our industrial economy, what are the challenges/pressures the City faces in regard to industrial land, what are the next steps after this roundtable.

What has changed in the last 20 years?

There is less land zoned for industrial uses and the nature of industrial activity is changing.

The stadiums have changed the character of their area – we'll need to take a look at that. Also, there has been a culture shift – it seems as though considering the needs of industrial folks was stronger in the past. Now we are looking at new industries, like bio-tech. Access to decision-making seems to be a factor.

There has been a change in transportation infrastructure. Other uses have developed in the industrial areas. Roads once used almost exclusively for freight are now heavily traveled by other users which creates traffic and problems for freight movement. It is a challenge to site industrial uses/zones. We need to balance the needs of industry and other uses in the area.

There has been a change in the type of industry in Seattle. We have transitioned from timber and fishing to technology. Alaska Copper and Brass is losing out to competition. Small sheet metal plants used to produce for Boeing, they've gone away. We need better information on trends and types of businesses that we do have.

There has been a change in types of things brought in through the Port of Seattle.

There has been a regional change – a change in the competition we face. We now have competition in Green Valley and in Pierce County. These areas compete with Seattle pulling industry out of the city. Industry produces material for consumption, as population grows in the region and spreads out, the points of consumption have changed, and the location where industry needs to be (or can be).

Cost of doing business has changed – taxes, fuel costs.

There has been an increase in traffic, in congestion, in mobility in general. There has been a rise in the number of trips that people take each day. That increase has had a serious impact on our ability to function – of getting goods in and out of industrial areas,

out of urban areas. There is density in the City – the single-family residential areas have been stable, however, the other districts have continued to become denser.

There is a competition for land which promotes greater encroachment on industrial areas.

There are rising expectations of the city's residents for the industrial areas – there is activity 24/7, there are recreational uses that conflict with some industrial uses (i.e., Burke Gilman Trail)

Historically, industry was located near water. Now as industrial needs shift to warehousing and logistics/distribution, there is more of a need for industrial land inland. This demand has eaten up valuable agricultural land. First the Duwamish, then Kent Valley... We lose out as a region from the loss of those nearby agricultural lands.

Also, there has been an increase in environmental regulations. It is no longer acceptable to have heavy polluting industries in cities.

BINMIC and Duwamish MIC cover areas where there is a web of industrial relationships. We need to understand the relationships better so that we can protect and repair them if necessary. There is strength in that web.

Global industrial production requires less inventory, more just-in-time delivery of good for production, and even global assembly processes. It has changed how industrial users use their property and their need for access to transportation.

More manufacturing spread elsewhere – beyond the Duwamish, but still using the port. Industry developed near the water and spread along railroad lines. Now there is a conflict of interest in using transportation systems – from roads to railroads. Sounder wants to expand commuter trains but has had a hard time getting access to tracks to Tacoma and Everett. Also, our train traffic is controlled from a logistics center in Dallas – we may need to contemplate what that mean for our area and our specific needs/concerns?

There has been a change in the types of businesses here. Boeing, Weyerhaeuser to Microsoft, Starbucks, Adobe.

What about energy production? Energy is an issue. It should be located near sources.

Although global production has developed, some are starting to figure out that local production makes sense. There is a need for producing things closer to where they are used. It saves transportation costs and provides a more responsive relationship.

The economy is global. Loyalty is gone. Companies can pick up and move when they choose too. Even the largest enterprises can move.

What are Seattle's current challenges?

Contaminated sites. Contamination contributes to difficulty of re-use.

Are the City's policies achieving their goals?

The goal is to protect industrial uses, limit other uses that might infringe upon industrial uses. *Is this a reasonable policy? Should it stay as it is?*

Support for keeping as many family wage jobs in Seattle as possible. There should be a regional approach, however, for industrial lands – figuring out what our competitive advantage is within the region and focusing on those strengths. Given the current dynamics, we need to look at the bigger picture. Also, there may be opportunity for change in zoning – to allow a mix of uses with light manufacturing. No matter how we do it, we need to keep the jobs in these businesses within reach of our citizens.

In the 1980s, new zones established simply reflected existing uses – though there were some decisions about what could change and where. We need to work through that process again. Some areas have changed. We need to understand those changes and determine whether the zoning can change for some of them.

Has there been any analysis of uses? SoDo has tons of non-industrial uses.

Those are allowed uses. People need to understand that those are allowed. And the result is a healthy sign for the economy – the area is changing and adapting and, ultimately, contributing to the vitality of the industrial area and Seattle.

The question is – are the City's policies achieving our goals? Does the increase in commercial uses in industrial areas threaten them or protect them by allowing flexibility in what can be located there?

I would say that it protects them. It allows land owners some flexibility. We need to be careful about taking land out of industrial use. We learned much about that process when we studied the maritime industry in Seattle. We need to understand what is going on within industries before we make any assumptions or jump to make changes.

What is the affect of speculation on land costs?

We have some idea, but it is hard to get an historic perspective on that issue.

Are we competitive? I hear that Tacoma is more competitive.

That is really a Port issue - whether they are or aren't competitive in their pricing and facilities.

What about in our industrial lands?

We are right in the middle based on information provided in the August 1, 2005 Industrial Lands Study.

The competition between Tacoma and Seattle doesn't really matter - what matters is that we bring business to this region. Our competition is with Vancouver and other cities on the West Coast. The real issue is to determine what we want and whether we can find the land for it. We need to understand what we have, what we want, and how we can make ourselves competitive.

What sort of tools do we use to get that information? Is there flux in terms of land use? Do rising tides float all boats in terms of land uses in industrial areas? What about revenue impacts on the City? Brownfields are an important issue to discuss – new development is a catalyst for cleaning up those sites.

You've hit on the complexity of this issue. It's not just about land use. For example, along North Lake Union there are still some active industrial uses, but that area will need to be cleaned up. *When its time for a change will other industries clean it up – or will other uses? Should it change uses?*

And what is the value to the City?

It's not clear. There are no straight formulas.

What information should we gather?

Is there agreement that the City needs a strategy to address this issue?

General affirmative response.

There is a need to analyze the City and determine what to keep as industrial land.

What about "sustainability"? Part of that concept is for industrial areas to directly serve the city – to reduce transportation needs by creating local linkages between resources, production, and end-use.

If we want good family wage jobs, then we need to understand what those jobs are and where they could go in our city. We need to understand these things so that we can get the jobs – make our city attractive for companies to want to locate and expand here. We can be more pro-active in developing a sustainable building industry cluster.

What are the conditions that are needed that would keep businesses here or bring them here? Where are there partnerships to be developed to be more pro-active? Where is our knowledge base for jobs? How do we integrate our resources (such as our educational institutions) with industrial needs? Are there active programs or policy changes needed to allow for different environmental standards for change in land use? Can property owners afford to reinvest in industrial uses and clean up their properties?

Some of that work has been done – but it would need to be included in research for developing a strategy.

If we can't invest in transportation or brownfields or whatever... then policies may fall short. We have industries now that serve the City and the Port. We need to understand new industries that are emerging and what they might need. Then we have to figure out how we could provide that for them. Then we have to think about how all that affects land use and zoning. Some items to consider: transportation logistics, light industry, high value new economy industries.

Is there any national or global information we need?

If we agree on a goal, a unified vision... how have decisions made over the last 20 years supported, or not supported, our policies?

It seems to be no. There is a general agreement about the need to preserve family wage jobs, but we need more information on exactly what that means.

How can we know/define what that means?

20 years ago, who would have thought that when you talk about Seattle's economy you would have said, "coffee?" Or for that matter, "steel" – Nucor is selling left and right and doing well.

We should have an orderly decision process. When we respond to individual property owners requests without a planning foundation, we promote speculation.

We won't be able to know everything, but there are some things that we do know (or could know) to make decisions.

We need to be able to be opportunistic. What if Starbucks' wants more office space? Do you say yes or no - or that you need to go through a year-long planning process?

Context is important. If we know something we should use the information. But we also need to be flexible. The information may give us a better understanding of when to be flexible and when to not.

How much land does the Port control? About a third of the land in the Duwamish and BINMIC. The Port's policies are just as important as the City's. I feel that some of their land is under-utilized – under-managed.

The City has to make a decision about what uses are useful.

What is the advantage of the Port to under-utilize their land?

They seem to think that there is a higher, better use just around the corner.

There is a clear role for the City there.

There is a disconnect in that information – on the one hand there is good news on how our industrial lands are utilized (low vacancy rates) – yet the Port has vacancies on their property and claims that they have trouble leasing it.

That is why we need some criteria to make our decisions.

If the City reconfirms its conviction to protect industrial lands – perhaps that will motivate owners to rethink their options and forge ahead with plans to develop their property within its current, industrial zoning.

There is ten minutes left. Let's discuss "next steps." First, is there anything else we haven't talked about yet that anyone would like to bring up?

I liked Portland's idea of studying their 20-year supply of land and whether or not it truly served their needs.

We need an approach. Seattle is a seaport and our strategy needs to be coherent with that asset.

We should look at the pressure in Seattle for housing. Some conversion pressure due to need for land to build housing. The industrial and housing issues could be looked at together. We would want to avoid the Vancouver disaster – they decided to simply go with the conversion pressure and they changed the character of their city. They ended up with new problems.

We need to define how industrial land could be used. We could tweak zones to combine uses. We could redefine industry.

Back to the discussion about taking a regional approach, there are areas we have designated as industrial – but they might be better used in some other use. We have a big region to work with.

That's why we need criteria – criteria to evaluate what could be converted to other uses and what areas should remain protected as industrial.

Change is already happening. Look at the Rainier Brewery. Transit is going to make it easier to get to and around SoDo.

Where jobs are is important to regional transportation systems. We need to think about the interaction between housing and jobs.

Isn't this the kind of work that PSRC does? They have many plans. They're already on a 2040 plan. They have the Prosperity Partnership, they also study transportation and economic development; but they generally haven't made the link between land use and economics.

What about staffing for continued study?

Nobody has a budget for this work - and it is a significant amount of work.

Is it important enough to invest in?

Requests for rezones aren't going away.

If we do this, what purpose will we put it to? There is more to discuss here than we can cover in the next three to four minutes. It merits another conversation.

The key issue is how this relates to other issues in the City.

These are hot button issues – they are more complex and need more time to discuss.

Do we have enough information from this discussion to put together a scope of work to base a further conversation?

Let's let this conversation mature a bit before developing a full-blown proposal. There is always time to add work to DPD's work program. Also, OED will have a big part of the work.

We will want more information from the Port, PSRC, constituents, real estate concerns, and others.

There is good news here. We, as a City, haven't made a dramatic gaffe. We are starting from a good place. Unlike some of the other cities we have discussed, we aren't trying to make up for past mistakes.

Thank you for your time and insights.